

CA20N  
CC140  
- F77

Government  
Publications



# *Annual Report 2005*

## *Board of Funeral Services*

2810 - 777 Bay Street, Box 117

Toronto, ON M5G 2C8

Tel: (416) 979-5450

Toll Free: 1-800-387-4458

[info@funeralboard.com](mailto:info@funeralboard.com)

[www.funeralboard.com](http://www.funeralboard.com)

# Annual Report

Board of Funeral Services



## Board Membership

The Board of Funeral Services was established by the Funeral Services Act in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the Funeral Directors and Establishments Act, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

## MEMBERS OF THE BOARD OF FUNERAL SERVICES

	2005		2006	
Chair	Kirk Elliott	North Bay	Patrick McGarry	Ottawa
Vice-Chair	Patrick McGarry	Ottawa	William Kiteley	Sault Ste. Marie
Executive Member	Carl Compton*	Toronto	Victoria Vidal-Ribas*	Toronto
	Kevin Daudlin	Toronto	Kevin Daudlin	Toronto
	Ronn Dodge	Forest	Ronn Dodge	Forest
	Karie Draper	Toronto	Karie Draper	Toronto
	Chris Ferguson*	Toronto	Kirk Elliott	North Bay
	William Kiteley	Sault Ste. Marie	Chris Ferguson*	Toronto
	Alison Knight*	Toronto	Alison Knight*	Toronto
	Donald Sanderson	London	Donald Sanderson	Burlington
	Wayne Smith	Peterborough	Wayne Smith	Peterborough
	Victoria Vidal-Ribas*	Toronto	Catherine Taylor*	Toronto
	David Wilhelm*	Milton	David Wilhelm*	Milton

\*Denotes Public Member

## BOARD STAFF

### Registrar

Joseph Richer

### Manager, Inspections & Investigations

René Brakel

### Inspectors

Randy Balon

Michelle Crognale

Ken Singh

### General Legal Counsel

Steinecke Maciura LeBlanc

Donald Posluns - Barrister & Solicitor

### Discipline Committee

### Independent Legal Counsel

Alan Bromstein – Barrister & Solicitor

### Manager, Licensing & Administration

Susan Beck

### Coordinator Administrative Services

Renée Toleck / Vicki McCoy

### Administrative Bookkeeper

Marlen Weiler

### Bilingual Administrative Assistant

Claude Civil

### AUDITOR

Harris and Wright



# Table of Contents

Our Mission .....	2
Our Corporate Goals and Values .....	2
Message from the Chair .....	3
Message from the Registrar .....	4
Business Plan Achievements 2005 .....	5
Strategic Outcome 1 - Maintaining High Levels of Consumer Protection	
Strategic Outcome 2 - Advancing Service Excellence Through Professional Development	
Strategic Outcome 3 - Increasing Public Awareness	
Strategic Outcome 4 - Managing Uncertainty	
Board Committee Updates .....	7
Discipline Committee .....	7
Complaints Committee .....	9
Compensation Fund Committee .....	10
Audit, Finance and Risk Committee .....	11
Licensing Committee .....	12
Inspection Team .....	13
Licensing and Administration Team .....	15
Board of Funeral Services Financial Outlook .....	18
Auditors' Report .....	18
Balance Sheet .....	19
Statement of Revenue and Expense .....	20
Statement of Surplus .....	20
Statement of Cash Flows .....	21
Notes to Financial Statements .....	22
Prepaid Funeral Services Compensation Fund	
Balance Sheet .....	24
Statement of Revenue and Expense .....	24

\* Pour obtenir une copie du Rapport annuel en français, visitez le site Web du Conseil à [www.funeralboard.com](http://www.funeralboard.com) ou communiquez avec le bureau du Conseil au 1-800-387-4458 ou (416) 979-5450.



# *Our Mission*

---

The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served protected.

## *Our Corporate Goals and Values*

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the *Act*
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Government Services retains responsibility for Ontario's consumer protection legislation and regulations and oversees the quality of services provided by the Board.



# Message From the Chair

---

At the end of 2005, the Board continued to balance on the verge of the largest change ever anticipated during its long and proud history of serving the consumers of Ontario. The antecedents of the current Board reach back to 1914, and throughout its history have embraced several legislative and regulatory changes. The *Funeral, Burial and Cremation Services Act, 2002* (FBCSA) will fundamentally change the way that service providers within the bereavement sector are regulated, and consequently how they will provide care to the over eighty thousand Ontario families that suffer a loss each year. This impending change however has presented many challenges for the Board and will no doubt pose challenges to all stakeholders as they await the proclamation of the FBCSA and the eventual transition to a Delegated Administrative Authority.

Clusters three and four of the draft regulations, dealing with Licensing & Standards of Practice, and Enforcement respectively, as well as a policy paper on Property Tax, were released in 2004. The Legislative Review Committee with staff support was responsible for providing meaningful input to the Ministry on behalf of the Board. The Board has provided ongoing support to the Government as it moves toward proclamation of the FBCSA and its efforts to modernize the bereavement legislation.

The Board's Mission Statement and Corporate Goals, adopted in 2002, articulate not only our consumer protection mandate, but also our commitment to consumer education. We continue our partnership with the Loss, Grief & Growth Education Project Inc. to help establish a comprehensive program to assist educators throughout the province to teach Ontario youth about loss, grief and the growth that follows.

In 2005, the Board produced two new consumer information booklets entitled *Arranging a Funeral: What You Need to Know* and *Prearranging a Funeral: What You Need to Know*. The booklets are available through the Board office to anyone requesting them as well as through the Board's Web site.

Our Web site was enhanced this year to be more user friendly and informative. We continue to work toward the establishment of on-line registration for personal licence renewals, and have added the Report of the Public Accountant for licensees to access.

With the exception of the recommendations developed from the Funeral Service Education Review, the Board met all of its goals as outlined in the 2005 Business Plan. As a precautionary step, the improvements and changes suggested from the Education Review have been put on hold pending the decisions pertaining to the specific educational requirements that each category of licence will require.

The Board approved a shift in governance style this year that has resulted in improvements to our reporting procedures, and ensures that committee time and member contributions will be more effective. The change has allowed us to reduce the number of full Board meetings, which in turn reduces not only expenses, but staff time to support the meetings.

Although the Board has faced many challenges and changes, it has not seen a change to licensing fees since 1992. The fact that fees have not increased in the past fourteen years can be directly attributed to the many financially responsible Board members and staff who have provided good governance and operational oversight throughout that time. An increase in fees is surely inevitable as we move to a new legislative model.

During the 2005 Board member retreat hosted by the Ministry of Government Services for appointees to public boards and DAAs, the Board of Funeral Services was recognized by the Minister for its continuing commitment to consumer education and for achieving a high rate of support for its inspection program, based on licensee surveys. Both of these achievements are directly related to the continuing efforts of our dedicated and committed staff. A survey of licensees indicates that we have a well respected and knowledgeable staff that is both professional and helpful to our many clients. My thanks to all of the members of the Board staff for their continued support and dedication.

These are difficult and changing times. I have no doubt that the Board will continue to face the challenges ahead, and deal with them in a prudent manner. We have been richly blessed with the appointment of a Board whose members, both public and professional, are dedicated to our mandate of consumer protection, and to the development of a bereavement sector that continues to provide excellent service to the consumers of Ontario, in a fair and balanced marketplace.

Kirk Elliott  
Chair



# *It's Time to Create the Future*

---

We have now seen the first four clusters of the draft regulations under the *Funeral, Burial and Cremation Services Act, 2002*. With much speculation and posturing, there remains a certain level of uncertainty for all stakeholders. It is safe to say that some are not looking forward to the future, while others cannot wait for it.

Despite achieving their targets for the year, the inspection and licensing teams continue to face challenges posed by those who push the envelope and sometimes act as though the new laws are already in place. If the future is more or less decided, the sector would be well served if the new laws were implemented as soon as possible.

The Board's submissions on the draft regulations, prepared with the assistance of the staff, continue to focus on consumer protection, enforcement challenges and clarity. The Board has also advocated the creation of one enforcement agency to oversee the entire sector, believing that would provide dedicated resources and consistency of enforcement.

The Board continues to look at ways to better fulfill its mandate, by implementing new operating procedures and investigating ways to better deliver its services, such as on-line licence renewals. The Audit, Finance and Risk Committee has been the catalyst for several operational changes and will likely generate more in 2006.

The uncertain future also poses operational challenges as the Board tries to make decisions about its own future and fulfilling its mandate. Returning to a consumer outreach agenda in 2006, the Board will attend consumer information shows to raise awareness about the fact that funeral service is regulated and support is available in those circumstances where it is needed.

Outreach will also have to focus on licensees as we move closer to proclamation of the new legislation. My discussions with leaders of key associations suggests that they have a similar interest for their members.

As has been written many times, the best way to predict the future is to create it. Perhaps its time the sector as a whole starts refocusing its energy on creating its future.

The Board and its staff look forward to taking a leadership role in creating that future wherever possible and appropriate.

The Board members and staff continue to demonstrate their dedication to the consumers of Ontario and look forward to a strong enforcement model focused on consumer protection.

On behalf of the Board and staff, I would like to thank Susan Beck who fulfilled duties as Acting Registrar through 2004 and early 2005; to René Brakel, Manager of Inspections and Investigations, as the other member of the management team who also faced challenges during my absence and to the rest of the staff for contributing to a successful year. I would also like to thank Kirk Elliott for his leadership and commitment as Chair in 2005.

*Joseph Richer*

**Registrar**



# *2005 Business Plan Achievements*

---

The Board identified that in order to carry out its mandate and achieve its goals and vision, it must focus on the four following “Strategic Outcomes”:

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of the Strategic Outcomes drives the Board’s activities for the year and provides a framework for setting annual targets. Highlighted below are some key achievements this year.

## ***STRATEGIC OUTCOME 1 - Maintaining High Levels of Consumer Protection***

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance. In addition, it must handle consumer enquiries, and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of prepayment funds.

### ***Inspections Keep in Step***

The Board exceeded its goal of 180 inspections, with the oldest inspection having been done no earlier than March 2002.

### ***Complaint Process Continues to Improve***

The Board continues to mediate complaints and has exceeded its 25% target, mediating over 42% of the complaints considered in the year. In addition, matters are handled promptly, on average a decision or resolution is made within 64 days of the receipt of the complaint.

### ***Healthy Compensation Fund***

The Compensation Fund considered only four claims in 2005 and continues to maintain a healthy balance and a diversified portfolio.

## ***STRATEGIC OUTCOME 2 - Advancing Service Excellence Through Professional Development***

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and knowledge. The Board has reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

### ***Preceptor Training Program***

The Board’s Preceptor Training Program continues to receive high praise from licensees.

### ***Successful Professional Development***

Professional Development 2005 Toronto was well attended with top marks all around by participants.

### ***Proactive Communications with the Profession***

The Board published three newsletters, which included special updates on the *Funeral, Burial and Cremation Services Act, 2002* and reminders about the Federal Privacy Legislation.

### ***Active Participation in Regulation Development***

The Board continues to be involved in shaping the future by making submissions on draft regulations released regarding the *Funeral, Burial and Cremation Services Act, 2002*. The Board has now made submissions on Clusters 1 through 4 and on a policy paper issued on property taxes. The Board also continues to support the government's interest in having the Registrar join the Ministry's development team to act as a technical advisor.

### **STRATEGIC OUTCOME 3 - *Increasing Public Awareness***

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board, and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

#### ***Educating Youth About Loss, Grief and Growth***

The Board is committed to education and supports the efforts of the Loss, Grief and Growth Project Inc., as a significant benefactor to the project. The Board looks forward to a strong program to be implemented to teach students in Grades 1 to 12, about loss, grief and the healthy growth that can occur through grieving a loss.

#### ***Consumer Access to Information & the Board Made Easy***

The Board has published two consumer booklets entitled: *Arranging a Funeral: What You Need to Know*, and *Prearranging a Funeral: What You Need to Know*. They were developed with input from consumers for consumers; they provide information that is essential to making informed choices. They are available in a large booklet format or a smaller pamphlet style.

#### ***Web Site Enhancements Improve Communications***

The Board's Web site has been refreshed to be made more easily navigated by consumers and licensees. More enhancements are expected in 2006.

### **STRATEGIC OUTCOME 4 - *Managing Uncertainty***

Pending legislative reform and the possibility of the creation of a single Delegated Administrative Authority for the entire Bereavement Sector, the Board believes the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

#### ***No Loss of Focus on Current Mandate and Operational Delivery***

The goal of the Board was to maintain numbers of inspections and quality of service. In 2005, the Inspection Team carried out over 218 inspections and adopted a new Code of Professionalism.

#### ***Privacy and Transparency is Key to Stakeholder Confidence***

The Board has implemented policies to ensure privacy implications are addressed for consumers and licensees. The Board's privacy policy is posted on its Web site and all application forms have been updated to include the appropriate privacy disclosures.

#### ***Board Accountability Strengthened***

The Audit, Finance and Risk Committee continued to review processes to ensure effectiveness, efficiency and proper accountability. The Committee reviewed the Board's investment processes and recommended by-law changes to broaden the investment opportunities for the Board, while maintaining strong fiscal controls.

#### ***Ongoing Communication with the Profession***

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins.

# Board Committee Updates

---

The Board of Funeral Services has established seven Committees or Teams, which together enable the Board to carry out its mandate and strive towards achieving the strategic outcomes of its business plan:

- ◆ Discipline Committee
- ◆ Complaints Committee
- ◆ Compensation Fund Committee
- ◆ Audit, Finance and Risk Committee
- ◆ Licensing Committee
- ◆ Inspection Team
- ◆ Licensing and Administration Team

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in our Annual Business Plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each of Committee's findings, activities and accomplishments in 2005.

## **DISCIPLINE COMMITTEE - *Ensuring Rights of Consumers***

### *Mandate*

The Board of Funeral Services is committed to ensuring its licensees act professionally at all times to ensure that consumers' rights are protected and their needs are met. The Board's Discipline Committee considers allegations of professional misconduct or incompetence against funeral directors. The allegations can be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, or the Board itself.

The Discipline Committee follows established procedures for hearings and is advised by independent legal counsel. The Board of Funeral Services is represented by legal counsel and the funeral director has the right to be represented by legal counsel as well. Decisions by the Discipline Committee can be appealed to the Licence Appeal Tribunal ("the Tribunal"), which is independent from the Board.

### *Cases Heard in 2005*

In 2005, the Discipline Committee heard four cases, all leading to findings of professional misconduct.

In the first case, based on the agreed facts put forward jointly by the Board and the funeral director, the Discipline Committee found that the funeral director falsified a consumer's signature on a cremation application, made unprofessional comments to the deceased's family and provided the family an empty urn for their memorial service. The Discipline Committee ordered that the funeral director's licence be suspended for four months, that the funeral director be reprimanded, pay a fine of \$2000, be prohibited from supervising a student for a period of 5 years, be required to use documentation acceptable to the Registrar with respect to the tracking of cremated remains and required to attend the Board's professional development program.

In the second matter, again, the Discipline Committee agreed with the facts put forward jointly by the Board and the funeral director, finding that the funeral director incorrectly dealt with the parents of the deceased rather than the spouse of the deceased. The deceased and the spouse were living apart at the time of death but were still married. When the spouse contacted the funeral home advising that she was the spouse and asking to make funeral arrangements she was informed that the deceased's parents had already done so pursuant to a signed contract and that accordingly the funeral home could only take instructions from them. The funeral home refused to allow the complainant to make the funeral arrangements. The funeral home also failed to provide the complainant with copies of the proof of death statement until a court ordered it to do so.

The Discipline Committee ordered that the funeral director's licence be suspended for one month, with three weeks remitted if the funeral director refunds to the complainant the professional fees relating to the funeral; that he be reprimanded; that he pay a fine of \$1000, the payment of which would be suspended if the funeral director sends a letter of apology to the complainant; and that he be prohibited from supervising an intern or co-op student for a period of one year. It should be noted that this matter was the result of a complaint filed in 1999, but was not heard due to a delay in the Superior Court of Ontario.

In the third case, the Discipline Committee accepted a funeral director's plea of guilty and found her guilty of professional misconduct. The Committee found that the funeral director did not fulfil contractual obligations to clients and misled the Board inspector about monies to be refunded to consumers. The act of misleading the Board inspector was felt by the Committee to be of the utmost importance as the inspection system is so vital in maintaining public trust and assuring the consumer is protected. The funeral director also failed to provide various books and records as required by the *Funeral Directors and Establishments Act*. The Discipline Committee ordered the following: that the funeral director be reprimanded and fined \$2000, and her funeral director's licence be suspended for 6 months. The Committee also placed restrictions on the funeral director's licence including not being able to own or manage a funeral establishment until the funeral director reimbursed the Compensation Fund the amount of \$5,365.80. Several other conditions were placed on the funeral director's licence.

In the last case of the year, a funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct as a result of failing to supervise appropriately a prepaid funeral counselor who, unbeknownst to the funeral director, falsified a number of prepaid contracts, and as a result of signing eight prepaid contracts without confirming such things as the identity, address or intent to enter into a contract of the consumer. The Committee ordered that: the funeral director be reprimanded; the funeral director's licence be suspended for two weeks; and as well the funeral director was ordered to pay a fine of \$1000; be prohibited from managing a funeral establishment for six months; be prohibited from supervising interns or co-op students for two years; and attend the Board's professional development program.

In 2004, the Committee reported that a case had been heard, but that a decision of the Superior Court of Ontario was pending in the matter. In this case, the Discipline Committee found a funeral director guilty of professional misconduct finding that the funeral director submitted to a consumer false or misleading documents in relation to a pre-1990 prepaid contract that was fulfilled in 2002. The Committee ordered that the funeral director be reprimanded and pay a fine of \$3000. The Committee also placed restrictions on the funeral director's licence.

The Licence Appeal Tribunal (LAT), an independent body established to hear appeals such as these, upheld the Discipline Committee's decision. An appeal to the Superior Court of Ontario was set aside for delay.

### *Related Matters*

In a related matter, another licensee entered an undertaking with the Registrar as a result of his failure to refund excess funds on fulfilled prepaid contracts. He undertook to refund excess prepayment funds on the noted prepaid contracts and to make a payment of \$2000 to the Compensation Fund of the Board within 30 days of signing the Undertaking. The funeral director further undertook to write letters of apology to the estates of the affected parties and report to the Registrar regularly on contracts executed after June 1, 1990. The funeral director was previously cautioned about this particular issue.

*Wayne Smith*

Chair



## COMPLAINTS COMMITTEE

### *Mandate*

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding the conduct of any licensee.

### *Complaint Summary*

The Board of Funeral Services received twenty complaints between November 1, 2004 and October 31, 2005. Of these, fifteen were dealt with in 2005 and the Committee will consider the remaining five in 2006. The Committee also dealt with four complaints from 2004 and therefore reviewed a total of nineteen complaints this year. The following is a breakdown of their dispositions:

In Favour of Licensee	4
In Favour of Complainant	7
Mediated by Board Staff	8
Withdrawn	0
Referred to Discipline	0

Although either party in the complaint process may appeal the recommendations of the Complaints Committee to the Licence Appeal Tribunal ("LAT"), no appeals were made this year.

The Committee discourages the use of the Complaints process as a means of settling business disputes between licensees and the number of such complaints has reduced significantly in the past few years.

### *Resolved Disputes*

The Committee is pleased that the staff was able to resolve 42% of the complaints received. The Committee reviews every resolution to ensure that it is appropriate given the circumstances and accepted all resolutions presented in 2005. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$7,436.

### *High Level of Service*

Some time ago, the Committee set a target of 90 days in which it would either make a decision about a complaint or resolve the matter through mediation. This year, the average turnaround time was 64 days from the date the complaint was received to the date the decision was released. The Committee is very proud of this significant accomplishment.

### *Concerns About Type of Complaints*

Again, the Committee is concerned about a number of complaints against funeral directors who are not taking direction from the proper person when making funeral arrangements. In these cases, the Committee reminded licensees of their obligation to deal with the correct person. In addition, there were a number of complaints that the level of service did not meet expectations. The licensee could have avoided a problem by simply making sure there was a clear understanding of the expectations from a family. In those cases where a consumer's expectations are truly unreasonable, the licensee must understand what is being asked and make their position clear about whether or not they will be able to fulfil the consumer's wishes. The Committee is mindful that reasonable behavior is expected on both sides, but the licensee has to ensure they explain themselves clearly to the consumer.

### *Learning from Complaints*

In the past, we have used the Board's newsletter as a means of both educating and notifying licensees of issues that have come before the Complaints Committee and continue to do so.

While infrequent, the loss or mishandling of personal effects continues to be one of the most contentious issues we see. Clearly many funeral homes have established policies to deal with receipt, storage and eventual return of personal effects, such as jewellery, but there are those providers who do not appear to have strong procedures in place.

This year, we have had situations where the Committee has considered complaints involving what it would consider the standards of minimal care provided by licensees. Unfortunately, it appears that some licensees are having difficulty distinguishing between permission to carry out invasive procedures, such as embalming, and providing minimal care to remove medical devices or equipment, to straighten garments, comb hair or simply position the body in a respectful manner.

We continue to see complaints involving misunderstandings resulting from poor communication (verbal or written). We have seen licensees who have, in eagerness to please a client family, assumed to receive directions that simply were not given or agreed to. In other cases, licensees have failed to set the proper expectations for the consumer family, which resulted in ill feelings toward the licensee.

While the Committee was disappointed by the conduct of some licensees, it must be noted that it received only 21 complaints on over 84,000 deaths handled by licensees. The Complaints Committee believes that Ontario's consumers needing funeral services are generally being treated fairly and in a professional manner and the noted examples are the exceptions and not the rule.

*Donald Sanderson*

**Chair**

## **COMPENSATION FUND COMMITTEE – *Funding our Future***

### *Mandate*

The Compensation Fund Committee administers the Prepaid Funeral Service Compensation Fund, which provides compensation to consumers when they have suffered a financial loss because their prepayment funds were mishandled. All claims must be supported by documentation, such as proof of payment.

### *Claims Paid*

In 2005, the Committee approved four claims valued at \$5,356.80. It also rejected two claims for which the Committee was not satisfied that payments were due; neither decision was appealed to the Licence Appeal Tribunal.

The claims involved overpayment of the Goods and Services Tax and excess prepayment funds owing to the estate of the beneficiary after the contracts were fulfilled. The approved claims involved one licensee who was subsequently sanctioned by the Discipline Committee.

The Board has taken steps to try to recover, where possible, funds paid out from the Compensation Fund and pleased to see a payment of \$2000 to the Fund by a licensee as a sanction. While the payment was not the result of a payment from the Fund, it was the result of action taken against a licensee for not having refunded surplus owing to consumers. The Committee encourages the Board to continue to pursue these types of payments, to help ensure the Fund's ability to compensate those who have suffered a loss.

The Committee was also pleased to receive a letter of appreciation from a relative of one of the claimants who was appreciative of the "diligence" the Board paid to their concerns.

### *Helping Licensees and Consumers*

The Inspection Team who uncovered the refunds also prepared an article for the Board's newsletter reminding licensees of the importance of preparing accurate accounts and identifying the various areas where errors are most commonly made.

New consumer information booklets to help consumers arrange and prepay services and supplies is an important step to help consumers make informed choices and to help them to protect their own money.

### *Managing the Fund*

The Committee meets regularly to review the Fund's portfolio to ensure its assets are secure and well positioned for the economic climate. The full Board met with the Trustee to better understand the proposed investment strategy for the coming year. With assets valued at \$1.93 Million, the Fund is healthy and invested in a balanced portfolio.

The Committee would like to thank the Board for its support and a very special thank you to the staff for its support and guidance in managing the affairs of the Fund.

*Bill Kiteley*

**Chair**

## **AUDIT, FINANCE AND RISK COMMITTEE**

The Audit, Finance and Risk Committee (AFR Committee) tackled several issues in 2005, focusing on governance and ways to make the best use of the Board's resources.

The Board adopted the AFR Committee's recommendation to reduce the frequency of Board meetings to every other month. The initiative should reduce not only costs to the Board, but time commitments of the Board members, who already dedicate a significant amount of their valuable time to the affairs of the Board. The move will also reduce staff resources devoted to preparation for meetings.

The Committee also carried out a comprehensive review of the Board's financial reporting structure. There is a more focused approach to the review of financial records and clearer accountabilities at all levels. A revised budget presentation allows for an easier assessment of expenditures and strategic changes.

The Committee also is trying to assess a variety of risks that the Board currently faces or may face in the future. Of particular concern is the impact of the implementation of the *Funeral, Burial and Cremation Services Act, 2002* and the creation of a Delegated Administrative Authority for the entire sector and the associated risks and costs of winding down the Board of Funeral Services. The Committee is also investigating the risks associated with a potential catastrophic event that would deplete the Compensation Fund.

The Committee has also been charged with overseeing the assessment of leasehold needs, which is proving particularly challenging with the uncertainty of the timing of the creation of a Delegated Administrative Authority.

The value of the AFR Committee has only just begun to be demonstrated. The Committee looks forward to the challenges that lay ahead for the Board and the sector and to contributing to their success.

*Victoria Vidal-Ribas*

**Chair**



# LICENSING COMMITTEE

## *Mandate*

The Licensing Committee comprises three members, one Public Member and two licensed Funeral Directors. The work of the Committee includes reviewing the training processes to ensure their relevance to funeral service education in Ontario. In addition, the Licensing Committee oversees the internship program, examinations and professional development programming. Matters referred by the Registrar with respect to candidate licensing eligibility also appear on the Committee's agenda.

Finally, 2005 saw certain responsibilities of the Education Review Implementation Committee move under the Licensing Committee's umbrella.

## *Training Preceptors and Practical Examiners*

Returning to our Preceptor Training Program as facilitator is Dr. Bill Steadman. In an effort to make it easier for licensees to complete the preceptor training, we offered the program twice in 2005, once in conjunction with Professional Development in Toronto and again in Kitchener in the Fall. Licensee reviews from both sessions were very positive and the level of interest for the program continues to increase.

Our Practical Examiner Training & Qualification Program continues to evolve to provide better training to those assessing candidates' competency in embalming. The Committee will continue to look at ways to address challenges it faces in delivering timely practical examinations to over seventy (70) candidates annually.

## *Professional Development Program*

The format for professional development seminars adopted in 2004 was repeated in 2005. Again, licensees are able to attend shorter sessions and are being offered a more varied selection of topics and speakers from which to choose.

In recognition of the profession's heritage and commitment to service, the Board again presented Legacy Awards to those in attendance who have been licensed for fifty or more years. Ted McMeekin, Parliamentary Assistant to the Minister of Government Services, attended as guest presenter, to present the awards to Lyle Sifton of St. Thomas and John Badder of Thamesville.

Once again, comments received from the participants were positive and recommendations were implemented wherever possible. Licensees in attendance participated in an important session delivered by the Registrar and Inspection Staff about the *Funeral, Burial and Cremation Services Act, 2002* and the regulations released to date. The program, which included time for questions and answers, afforded every participant a clearer view of our potential future.

## *Licensing Examinations and Student Awards*

The licensing examinations remain appropriately challenging for those eligible to write. Exam questions were reviewed carefully to ensure fairness and to reflect changes in funeral service in Ontario.

We were delighted to present awards to the three Funeral Service Education students who achieved the highest scores on the Licensing Exam on their first attempt. Congratulations to Mélanie Chiasson from Collège Boréal and to Pamela Clark and Sae Hee Park from Humber College.

## *On the Road*

On a personal note, I was delighted to attend the Annual Convention of the International Conference of Funeral Service Examining Boards in Fayetteville, Arkansas where funeral service regulators and educators shared ideas and solutions to improve funeral service training and licensing in North America.

I also had the opportunity to discuss issues occurring across Canada when I attended the Canadian Regulators meeting in Calgary in concert with the annual convention of the Funeral Service Association of Canada.

Finally, I would like to acknowledge the able and enthusiastic efforts of the Licensing Committee Members, as well as Registrar, Joseph Richer, Manager of Licensing and Administration, Susan Beck and the rest of the Board staff for their guidance and support throughout the year.

Best wishes for 2006.

*Harie Draper*  
Chair

## **INSPECTION TEAM – Compliance 2005**

### *The Inspection Team*

The Inspection Team had a busy and productive year, maintaining its focus on the Board's consumer protection mandate and licensees that demonstrate lower levels of compliance.

### *Inspection Details for 2005*

Carrying out 218 inspections, the team exceeded its goal of 180 inspections, while uncovering over \$24,000 owing to consumers, which is a significant increase from the previous year. The following is a breakdown of the inspection data for 2005.

	<u>2005</u>	<u>2004</u>
Inspections	218	210
Routine	200	190
New Premises or Ownership	12	15
Premises Closed	6	5
Refunds to Consumers	\$24,845	\$13,420

### *Overall Compliance*

While there were a few new trends, overall compliance continues to improve, with the average number of non-compliance items identified in each inspection dropping for the second year in a row, from 7.4 in 2004 to 5.7 in 2005. The team's focus on documents (contracts & price lists) to ensure that they were accurate, consumer friendly and easy to understand generated approximately 35% of all non-compliance items. In most cases, the licensee quickly remedied the non-compliance items.

### *Investigations*

The team was able to close 13 of the 16 investigations it started during the year. The investigations involved a variety of issues including individuals operating without a licence, incorrect or improper advertising, and issues surrounding bankruptcy, in addition to complaints, compensation fund claims and discipline matters.

Several investigations were resolved, while others resulted in cautions or in no action being required. One resulted in a restraining order through the Superior Court against two non-licensed individuals. Over the past two years, approximately 60 percent of all investigations were initiated by information received from licensees, which would suggest the sector supports self-regulation.

### *Risk-Based Inspections, Focusing Resources*

The risk-based approach to scheduling inspections has allowed the Inspection Team to focus its resources where they have the greatest impact on consumer protection. Focused on ensuring new operators start out on the right foot, the team carries out an inspection within the first year of operation to ensure the operator continues on the right path. The majority of the tightened inspections were of new businesses or those where changes of ownership occurred.

The small number of inspections where a follow up was done within the year, the average number of non-compliance issues dropped by almost 50%. Data from 2006 should provide additional data to better assess the success of the program.

### *Compliance Issues*

From time to time, the team has compiled a list of the top 10 non-compliance issues identified during inspections. From the review done in 2005, the team will produce an action plan to try to reduce the frequency of the top 10 items, including preparing an information piece for the Board's newsletter. We hope this will help those proactive licensees to amend their practices where appropriate.

As an education tool, the Inspection Team continually writes articles that appear in the BOFS Newsletter. In 2005, the team produced articles on Handling Cremated Remains, Funding of Prepaid Contracts and Disclosing Construction Materials on Caskets. The articles promote consumer protection by assisting licensees to make appropriate disclosures and business decisions.

### *Strong Customer Service – Responding to Stakeholder Needs*

The Inspection Team is committed to providing quality service through its balanced approach to inspections and building its relationship with licensees. As it does annually, the team reviewed quality assurance surveys to consider licensee comments and suggestions and, wherever possible, took steps to address each. The Inspection Team is committed to improving the inspection/compliance process for licensees, without compromising consumer protection efforts.

The Inspection Team also evaluated solutions implemented to address action taken based on previous surveys. The team noted that none of the comments for which remedies were implemented reappeared in 2005, which would indicate a high level of success.

One licensee commented that inspections “have been very professional and as unintrusive as can be imagined. Where a deficiency was identified, their posture seemed more to site it in a way to bring it up to standard as one of the team rather than being adversarial. This made working with them a pleasure.”

On average, it has taken the Inspection Team 7.9 days to issue inspection letters to licensees and it has taken licensees 29.9 days to respond to the inspection letter. For 2006, the Inspection Team will attempt to reduce this to 25 days. Making the inspection letters available electronically and by accepting responses via e-mail has made it easier for licensees to respond and to communicate with the Inspection Team.



### *Code of Professionalism*

The Inspection Team adopted a Code of Professionalism that demonstrates the team's commitment to promoting respect for the law, fairness and impartiality, and conveys the character and demeanor expected of compliance officials and ensures timely, consistent and courteous service.

### *What's in Store for 2006*

For 2006, the Inspection Team will attempt to reduce the repeat non-compliance items demonstrated by licensees from one inspection to the next. The team will investigate the reasons why repeat items have resurfaced and make recommendations where appropriate.

In addition to its regular activities, the Inspection Team will be involved in reviewing anticipated draft regulations made under the *Funeral, Burial and Cremation Services Act, 2002*. The team is dedicated to helping licensees through the transition to the new laws. The Inspection Team will assist the Board in its review of clusters five to seven as they are released.

The team will support the Board's public awareness initiatives by representing the Board at consumer shows and community events.

In addition, the team will begin to develop presentations regarding the FBCSA and will work to develop sample documents such as contracts & price lists to assist licensees manage the change.

*René Brakel*

**Manager, Inspections & Investigations**

## **LICENSING AND ADMINISTRATION TEAM**

The members of the Licensing and Administration Team play an important role in the processing of requests from consumers, professionals, the government and other stakeholders, since they are the first point of contact for the Board. The team handles the licensing operation for approximately 3,150 licence renewals – both personal and business licences.

The team is investigating the technology necessary to implement on-line licence renewals, something that seems to be of great interest to licensees. The team continues to research ways to take advantage of new technology to help deliver services more effectively or efficiently.

The changes made to the *2005 Business Directory* allowed the directory to continue to be accessible to all stakeholders without breaching privacy laws, which was well received by stakeholders. The directory has been published for over 90 years and the Board is eager to continue its publication.

### *Licensing / Registration*

The team continues to meet its target of processing the approximately 3,150 licences within 30 days of the application deadline. In 2005, it took on average 4 days to process the renewal of a funeral director's licence (from the date of receipt to printing of the licence). The turnaround time to issue a business licence was on average 8 days. This is slightly longer than last year, but still a significant accomplishment.

The team issued revised notices to managers reminding them of the importance of completing properly the renewal forms, which is anticipated to increase the overall accuracy of the applications and reduce the number of returned applications. The procedure is reviewed regularly to ensure that it is effective and efficient.

### *Proposals / Orders / Conditions & LAT*

The number of proposals and orders or conditions placed on a licensee is very low in comparison to the number of licences issued annually; this year was no exception. In most cases licensees accept proposals placing conditions on their licences to avoid hearings before the Licence Appeal Tribunal (LAT). Of the three appeals filed to LAT, one was withdrawn and two are moving forward with dates scheduled in 2006.

During 2005 one business licence was revoked. Conditions placed on any licence are monitored to ensure compliance.

### *Education & Professional Development*

The 2005 Professional Development Program, the Board's 68th annual, was attended by 360 funeral directors and received positive feedback.

The Preceptor Training Program continues to be well received, with both sessions offered in 2005 running at capacity. The program, which focuses on training the trainers and offers funeral specific training in how to teach aspiring funeral directors, was attended by over 40 preceptors.

### *Improving Access to Information and Services*

Three newsletters were published in 2004 / 2005 that contained regular updates on the impending *Funeral Burial and Cremations Services Act, 2002*.

The Board's Web site was renovated to be more functional and enhanced with a feature that allows the user to locate a provider. The list is maintained current within 48 hours of a change.

For licensees, the Report of the Public Accountant has been added to the Web site, which we anticipate will reduce printing and mailing costs.

### *Goals and Objectives 2006*

The Licensing and Administration Team will contribute to the success of the Board's targets for 2006 by addressing the following.

- The team will continue to ensure that the profession is kept abreast of regulatory developments regarding the draft FBCSA regulations in the newsletter, on the Board's Web site and as part of Professional Development.
- Changes will continue to be made to the Web site based on stakeholder input.
- The team will implement on-line licence renewals and electronic information delivery.
- The team will also continue to investigate and assess various support mechanisms for interns and preceptors.

*Susan Beck*

**Manager, Licensing & Administration**

**Statistics for 2004/2005****Registrations and licences issued in 2005****Personal Licences**

	<b><u>2005</u></b>	<b><u>2004</u></b>
Funeral Director Active	869	1818
Funeral Director Inactive	688	702
Funeral Director Conditional	18	17
Funeral Director Resigned	0	0
Funeral Director Revoked	0	0
Funeral Director Suspended	1	0
Funeral Director Emeritus	55	52
Funeral Director Re-instated	3	4
Registered Transfer Service Operators	5	5
Labour Mobility Transfer	1	1

**Business Licences 2005**

	<b><u>2005</u></b>	<b><u>2004</u></b>
Funeral Establishments	580	568
Offering Services to the Public	576	565
Not Offering Services to the Public	4	3
Transfer Services	35	35
Conditional	1	1
Revoked	1	1
Refuse to Issue	1	1
New Funeral Establishments	6	7
New Transfer Services	1	7
Changes of Ownership	10	19
Closed Funeral Establishments	7	7
Closed Transfer Services	1	1

**Exam Attempts**

Licensing Exams: December	17	6
Licensing Exams: June	90	87
Active/Inactive Exam	0	1
Re-instatement Exam	3	4
Legislative Exam	1	1
Out of Country Candidate	1	0

# *Financial Outlook*

---

Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2005. Complete financial statements are available from the Board of Funeral Services upon request.

## **AUDITORS' REPORT**

To the Directors of  
**Board of Funeral Services**

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2005 and the statements of revenue and expense - operations & special initiatives, surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario    November 25, 2005



Chartered Accountants

**BOARD OF FUNERAL SERVICES**  
(Under the *Funeral Directors and Establishments Act, 1989*)

**BALANCE SHEET**  
**October 31, 2005**

**Comparative**  
**2004**

**ASSETS**

**Current assets:**

Cash and bank	\$ 14,929	\$ 94,487
Sundry receivables (Note 4)	8,847	20,450
Prepaid expense	27,840	22,921
	<u>51,616</u>	<u>137,858</u>

Investments - at cost plus accrued interest (Note 3)	2,029,819	1,924,748
--	-----------	-----------

**Capital assets - at cost: (Note 2a)**

Office furniture and equipment	203,337	197,593
Leasehold alterations	21,353	21,353

224,690 218,946

<b>Less - Accumulated depreciation</b>	<u>155,685</u>	<u>136,637</u>
--	----------------	----------------

69,005 82,309

\$ 2,150,440 \$ 2,144,915

**LIABILITIES**

**Current liabilities:**

Accounts payable and accrued liabilities	\$ 67,301	\$ 66,671
Deferred licence fee revenue (Note 2b)	232,656	227,283

299,957 293,954

<b>Surplus</b>	<u>1,850,483</u>	<u>1,850,961</u>
----------------	------------------	------------------

\$ 2,150,440 \$ 2,144,915

# BOARD OF FUNERAL SERVICES

## STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES

Year ended October 31, 2005

		Comparative 2004
<b>REVENUE</b>		
Funeral Directors' licence fees	\$ 384,750	\$ 382,575
Funeral Establishments' licence fees	823,278	816,580
Transfer Service licence fees	22,665	20,540
	<u>1,230,693</u>	<u>1,219,695</u>
Duplicate certificates	285	240
Student registration fees	4,600	4,600
Student examination fees	14,750	13,850
Professional development	90,160	90,565
Investment revenue	106,782	105,541
Administration fees - Compensation Fund	6,401	3,000
Sale of Directories, Acts and Miscellaneous revenue	6,259	4,497
Reimbursement - Ministry of Government Services	<u>8,079</u>	<u>27,888</u>
	<u>1,468,009</u>	<u>1,469,876</u>
 <b>EXPENSE (Schedule A)</b>		
Salaries, benefits and compensation	\$ 676,153	\$ 744,920
Transportation and communication	222,773	249,735
Services	287,319	267,215
Supplies and equipment	<u>209,318</u>	<u>237,324</u>
	<u>1,395,563</u>	<u>1,499,194</u>
 <b>EXCESS OF REVENUE OVER EXPENSE (EXPENSE OVER REVENUE)</b>	 72,446	 (29,318)
 <b>SPECIAL INITIATIVES (NOTE 6)</b>	 <u>72,924</u>	 <u>202,371</u>
 <b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>	 <u>\$ (478)</u>	 <u>\$ (231,689)</u>

# BOARD OF FUNERAL SERVICES

## STATEMENT OF SURPLUS

Year ended October 31, 2005

		Comparative 2004
<b>BALANCE, beginning of year</b>	\$ 1,850,961	\$ 2,082,650
<b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>	(478)	(231,689)
<b>BALANCE, end of year</b>	<u>\$ 1,850,483</u>	<u>\$ 1,850,961</u>

# BOARD OF FUNERAL SERVICES

## STATEMENT OF CASH FLOWS

Year ended October 31, 2005

		Comparative 2004
<b>CASH PROVIDED FROM (USED IN) OPERATIONS</b>		
Excess of expense over revenue after special initiatives	\$ (478)	\$ (231,689)
Items not affecting working capital:		
Depreciation and amortization	23,176	22,602
	22,698	(209,087)
Net change in non-cash working capital (see below)	12,687	21,542
<b>Cash used in operations</b>	35,385	(187,545)
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Capital asset additions	(9,872)	(9,283)
Increase (decrease) in cash	25,513	(196,828)
Cash at beginning of year	2,019,235	2,216,063
<b>CASH AT END OF YEAR</b>	<b>\$ 2,044,748</b>	<b>\$ 2,019,235</b>
<b>Cash at end of year represented by:</b>		
Cash	\$ 14,929	\$ 94,487
Investments	2,029,819	1,924,748
	<b>\$ 2,044,748</b>	<b>\$ 2,019,235</b>
<b>NET CHANGE IN NON-CASH WORKING CAPITAL</b>		
Increase (decrease) in:		
Current assets:		
Sundry receivables	\$ (11,603)	\$ 2,839
Prepaid expense	4,919	5,565
	(6,684)	8,404
Current liabilities:		
Accounts payable and accrued liabilities	630	1,348
Deferred licence fee revenue	5,373	28,598
	6,003	29,946
<b>NET INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL</b>	<b>\$ (12,687)</b>	<b>\$ (21,542)</b>

## NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2005

### 1. MISSION

The mission of the Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

#### Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Government Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act, 1989*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Depreciation

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

#### (b) Deferred licence fee revenue

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year and all 2006 fees collected.

#### (c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### 3. INVESTMENTS - Market value \$ 2,042,413 (2004 - \$ 1,962,658)

Comparative  
2004

Canada Bond - 5.082% maturing June 1, 2008	1,213,455	1,155,356
Canada Bond - 3.958% maturing March 15, 2009	441,568	424,383
Canada Bond - 4.367% maturing December 1, 2005	-	124,733
Province of Ontario - 4.407% maturing December 2, 2006	172,659	220,276
Toronto Dominion Bank - 5% maturing February 14, 2006	202,137	-
	<u>\$ 2,029,819</u>	<u>\$ 1,924,748</u>

All investment transactions were made within the scope of the Board's by-laws.

### 4. SUNDRY RECEIVABLES

Comparative  
2004

Ministry of Government Services - reimbursement	\$ 2,187	\$ 16,504
Compensation fund	6,660	3,946
	<u>\$ 8,847</u>	<u>\$ 20,450</u>

## 5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2006. Autos, which are leased for the inspectors, have lease expiry dates of April 2006. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2005:

2006	\$	38,588
2007		13,585
2008		6,704
2009		2,572
	\$	<u>61,449</u>

## 6. SPECIAL INITIATIVES

		Comparative 2004
Accreditation	\$ -	\$ 3,272
Computer - data base consultant	32,382	1,764
Education Review	345	1,253
Labour Mobility Forum expense - Competency Profile	1,206	2,113
Legal	-	107
Long Range Planning	52	-
Public relations	10,304	1,007
Public relations - Loss, Grief & Growth Project	21,000	155,000
Salaries	6,600	34,562
Web site	1,035	3,293
	\$ 72,924	\$ 202,371

The Excess of Expense over Revenue of \$478 (2004: \$231,689) is a direct result of the Board's decision to draw on its surplus for these planned budgeted initiatives.

7. Certain comparative figures have been changed to conform to current year's presentation.

## 8. REVENUE RECOGNITION

Fee revenue is recognized when received.

## 9. FINANCIAL INSTRUMENTS

### Fair Value

The Board's financial instruments include cash and bank, sundry receivables, investments, accounts payable and accrued liabilities. The fair value of all financial instruments, other than investments, approximate their carrying values. The value of investments at October 31, 2005 was \$2,042,413.

**PREPAID FUNERAL SERVICES COMPENSATION FUND**(Under the *Funeral Directors and Establishments Act*, 1989)**BALANCE SHEET**

October 31, 2005

Comparative  
2004**ASSETS****Current assets:**

## Cash:

Toronto Dominion Bank	\$ 2,500	\$ 33,992
TD Private Client Group	12,624	10,501
Interest receivable	7,089	7,167
	<u>22,213</u>	<u>51,660</u>

**Investments - at cost (Note 3)**

1,828,465	1,755,265
-----------	-----------

<u>\$ 1,850,678</u>	<u>\$ 1,806,925</u>
---------------------	---------------------

**LIABILITIES****Current liabilities:**

Accrued trust administration fee	\$ 1,551	\$ 1,470
Accrued administration costs	6,401	3,000
Accrued audit fee	2,500	2,500
Sales tax and sundry	259	1,374

10,711	8,344
--------	-------

**Surplus**

1,839,967	1,798,581
-----------	-----------

<u>\$ 1,850,678</u>	<u>\$ 1,806,925</u>
---------------------	---------------------

**STATEMENT OF REVENUE AND EXPENSE**

Year ended October 31, 2005

Comparative  
2004**Revenue:**

Initial payments	\$ 3,240	\$ 5,580
Capital gains	-	4,663
Interest and dividend income	69,906	70,088
Other Income	2,000	500
	<u>75,146</u>	<u>80,831</u>

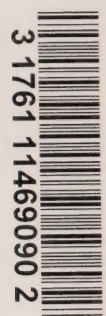
**Expense:**

Administration costs	6,401	3,000
Bank charges	-	5
Prepaid funds compensated	5,366	12,323
Professional fees	2,916	2,916
Trust administration fees	19,077	19,304
	<u>33,760</u>	<u>37,548</u>

**Excess of revenue over expense**

<u>\$ 41,386</u>	<u>\$ 43,283</u>
------------------	------------------





3 1761 11469090 2